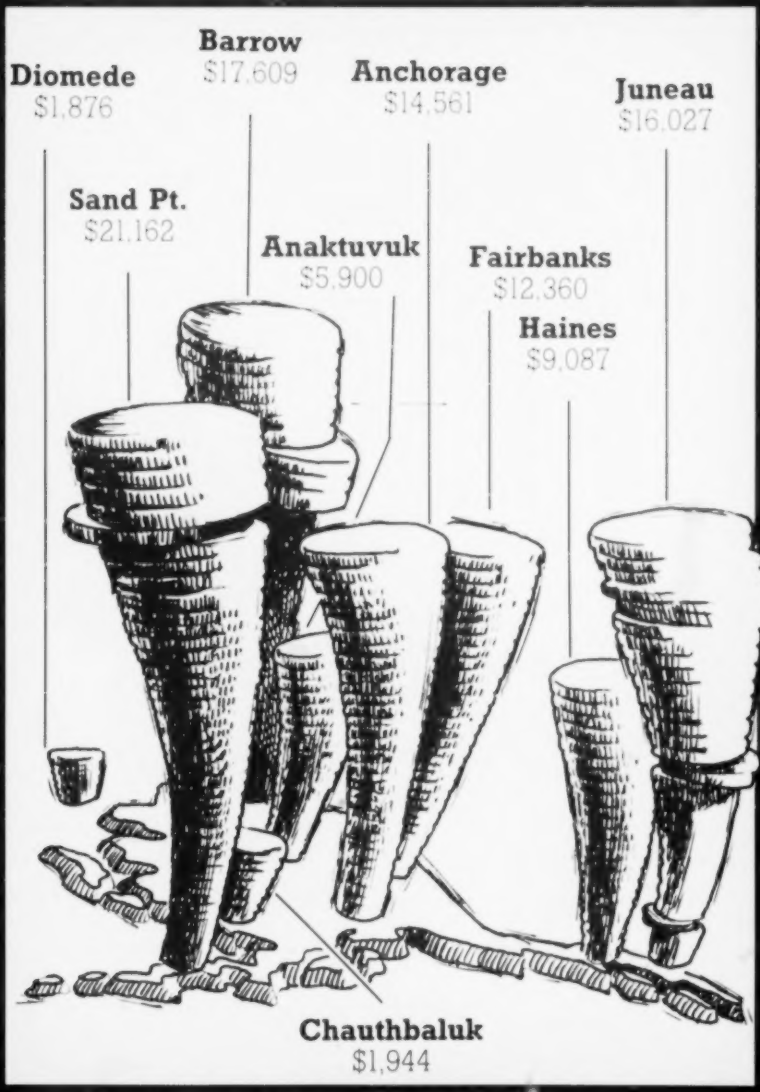
12/8/56 S0320-1
A

NOVEMBER 1986
ALASKA ECONOMIC TRENDS

Alaska Department of Labor Bill Sheffield, Governor, State of Alaska



Alaska's Per Capita Income for Census Areas and Incorporated Places

Alaska Economic Trends

Bill Sheffield, *Governor, State of Alaska*

Jim Robison, *Commissioner, Department of Labor*

Judy Knight, *Director, Administrative Services*
Chuck Caldwell, *Chief, Research and Analysis*
Edward Eboch, *Editor*

Funded by:

November 1986
Volume 6
Issue 11

Contents

Alaska's Per Capita Income for Census Areas and Incorporated Places 1

Alaska—*Alaska's Service Industry* 11
Anchorage/MatSu—*MatSu Employment* 16
Fairbanks/Interior—*Fairbanks' Unemployment Picture* 24
Gulf Coast—*Valdez Marches to a Different Drummer* 29
Southeast Alaska—*The Transportation Industry in Southeast Alaska 1980-85* 33
Hours and Earnings—*Current Trends* 38

Labor Force by Region and Census Area Center Insert

The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1985.

P/ Denotes preliminary estimates.
R/ Denotes revised estimates.

Per Capita Income for Census Areas and Incorporated Places

By Edward Eboch

Alaska has been identified as one of the highest per capita income states in the United States. While Alaska ranked number one in per capita income in 1985 in the U.S. (Table 1), it will probably lose that distinction in 1986, falling behind the District of Columbia and Connecticut. With the decline in the price of oil, Alaska, like other oil producing states, is experiencing economic hard times. Layoffs in the private and public sector have resulted in greater competition for jobs and lower wages. Tough times mean less profit for local businessmen and investors. As a result per capita income is expected to decline in 1986 as the population adjusts to these new conditions.

In 1985 Alaska's per capita income was estimated to be $18,187, 31% above the national average but less than 1% above the next two states (Table 2). One must be careful, however, in making comparisons between the statewide per capita income for Alaska and per capita income of other states. Per capita income varies widely by community in Alaska and may vary from year to year in communities heavily dependent on fishing as a source of income. In addition, differences in living costs affect the buying power of this income.

Table 3 compares per capita income for incorporated places within Alaska for 1983. The high per capita incomes of the Anchorage and Juneau boroughs, which have 50% of the population, and a few smaller areas pull up the state's average per capita income. Many communities in Alaska do not share this wealth. Per capita income within Alaska varies from the lows of Chuathbaluk ($1,944), Diomede ($1,876), Russian Mission ($1,862), and Ruby ($1,892) to the highs of Sand Point ($21,162) and Anderson ($19,168).

Caution should be exercised when attempting to use personal income data as a standard of living between areas of the state. Non-cash sources of goods and services, which are important in many rural areas of the state, are not reflected by personal income data. Many census divisions with low per capita income levels also have very high expenditure levels for energy, food, and other goods and services which further complicate interregional comparisons of income.

The State of Alaska's Geographic Differential Study shows the extent that costs differ between geographical areas of Alaska (Table 4). After adjustments are made for living costs and taxes, Alaska's nominally high income buys no more than income in other states. In many of the smaller communities in the state, per capita income is well be-

low poverty income guidelines. Even with the subsistence contributions in rural areas, the per capita income levels are unable to support a life style comparable to what is considered acceptable by most residents of the U.S.

Table 1
Total and Per Capita Income
Alaska and United States
1970 - 1984

	Alaska Total (Million)	U.S. Total (Million)	Alaska Per Capita	U.S. Per Capita
1970	$1,517	$ 825,528	$ 4,986	$ 4,051
1971	1,671	888,453	5,279	4,296
1972	1,832	976,071	5,610	4,664
1973	2,160	1,095,076	6,482	5,181
1974	2,632	1,204,070	7,635	5,644
1975	3,755	1,307,539	10,121	6,069
1976	4,521	1,446,099	11,499	6,647
1977	4,674	1,601,844	11,764	7,289
1978	4,805	1,806,207	11,947	8,133
1979	5,017	2,026,684	12,435	9,025
1980	5,586	2,252,021	13,797	9,910
1981	6,421	2,512,327	15,434	10,940
1982	7,702	2,660,940	17,312	11,470
1983	8,690	2,833,184	18,018	12,093
1984	9,080	3,101,402	17,996	13,114
1985	9,476	3,310,545	18,187	13,867

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Table 2
Per Capita Income
Ranked by State 1/
1985

Rank			Rank		
1	Alaska	$16,161	26	Oklahoma	$11,944
2	District of Columbia	15,615	27	Wyoming	11,914
3	Connecticut	15,403	28	Arizona	11,906
4	New Jersey	14,611	29	Idaho	11,687
5	Massachusetts	14,446	30	Utah	11,644
6	California	14,177	31	Delaware	11,644
7	New York	14,161	32	Missouri	11,640
8	Maryland	13,964	33	Oregon	11,555
9	New Hampshire	13,941	34	Vermont	11,511
10	Colorado	13,812	35	North Dakota	11,502
11	Illinois	13,795	36	Maine	11,497
12	Virginia	13,541	37	North Carolina	11,411
13	Nevada	13,536	38	Louisiana	11,274
14	Rhode Island	13,527	39	Tennessee	11,243
15	Minnesota	13,362	40	South Dakota	11,161
16	Rhode Island	13,343	41	Hawaii	11,120
17	Washington	13,301	42	Montana	10,974
18	Hawaii	13,214	43	New Mexico	10,918
19	Kansas	13,112	44	Kentucky	10,854
20	Florida	13,042	45	Alabama	10,678
21	Michigan	12,967	46	South Carolina	10,666
22	Texas	12,864	47	Utah	10,645
23	Pennsylvania	12,857	48	Arkansas	10,476
24	Nebraska	12,581	49	West Virginia	10,198
25	Missouri	12,244	50	Mississippi	9,987
26	Ohio	12,027			

1/ Includes District of Columbia

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Table 3
1984 Population and 1983 Per Capita Income Estimates for Census Areas and Incorporated Places

Area	Population	Estimated Per Capita Money Income (dollars)
State of Alaska	508,992	18,880
Aleutian Islands Census Area	7,215	13,992
Akutan	180	8,881
Cold Bay	190	16,435
King Cove	521	8,439
St. George	172	7,104
St. Paul	634	7,351
Sand Point	870	21,162
Unalaska	2,144	13,709
Anchorage Borough	226,663	14,561
Anchorage	226,663	14,561
Bethel Census Area	12,110	6,609
Akiak	272	3,526
Aniak	475	9,528
Atmautluak	243	3,920
Bethel	5,927	10,560
Chefornak	266	5,036
Chauthbaluk	141	1,944
Eek	257	4,876
Goodnews Bay	230	6,599
Kasigluk	414	4,702
Kwethluk	519	3,615
Lower Kalskag	270	2,459
Mekoryuk	182	5,172
Napakiak	319	4,931
Napaskiak	289	5,173
Newtok (pt.)	187	2,514
Nightmute	152	4,409
Nunapitchuk	401	3,160
Platinum	60	6,609
Quinhagak	424	4,062
Toksook Bay	365	4,122

Table 3 (Continued)
1984 Population and 1983 Per Capita Income
Estimates for Census Areas and Incorporated Places

Area	Population	Estimated Per Capita Money Income (dollars)
Tuluksak	253	2,080
Tununak	344	4,359
Upper Kalskag	151	4,213
Bristol Bay Borough	1,134	17,917
Dillingham Census Area	4,929	8,287
Aleknagik	301	10,348
Chignik	107	12,040
Clark's Point	74	8,287
Dillingham	1,984	11,144
Ekwok	98	8,287
Manokotak	282	6,181
Newhalen	250	8,287
New Stuyahok	160	4,687
Nondalton	231	5,415
Port Heiden	116	8,287
Togiak	554	4,422
Fairbanks North Star Borough	62,278	12,360
Fairbanks	26,614	12,392
North Pole	1,005	11,698
Haines Borough	1,938	9,536
Haines	1,154	9,087
Juneau Borough	23,776	16,027
Juneau	23,776	16,027
Kenai Peninsula Borough	39,544	11,094
Homer	3,384	11,943
Kachemak	328	16,101
Kenai	6,105	13,390

Table 3 (Continued)
1984 Population and 1983 Per Capita Income
Estimates for Census Areas and Incorporated Places

Area	Population	Estimated Per Capita Money Income (dollars)
Soldotna	1,675	9,823
Seward	2,764	9,564
Soldotna	3,533	11,944
Ketchikan Gateway Borough	12,327	13,273
Ketchikan	7,741	13,164
Saxman	395	9,215
Kobuk Census Area	5,588	7,563
Ambler	301	7,206
Buckland	548	3,484
Deering	126	4,433
Kiana	430	6,666
Kivalina	275	3,144
Kobuk	42	7,560
Kotzebue	3,412	11,470
Noorvik	517	5,273
Selawik	635	3,466
Shungnak	248	5,884
Kodiak Island Borough	15,780	11,710
Akhiok	103	2,420
Kodiak	7,595	13,445
Larsen Bay	214	8,716
Old Harbor	390	3,781
Ouzinkie city	253	10,701
Port Lions	376	7,723
Matanuska-Susitna Borough	29,612	10,495
Houston	668	8,027
Palmer	2,772	9,785
Wasilla	4,385	10,385

Table 3 (Continued)
1984 Population and 1983 Per Capita Income Estimates for Census Areas and Incorporated Places

Area	Population	Estimated Per Capita Money Income (dollars)
Nome Census Area	7,523	7,531
Brevig Mission	128	3,093
Diomede	153	1,876
Elim	248	4,442
Gambell	495	4,597
Golovin	122	7,531
Koyuk	211	5,492
Nome	2,904	11,180
St. Michael	279	3,915
Savoonga	542	3,498
Shaktoolik	160	4,731
Shishmaref	453	4,851
Stebbins	283	3,097
Teller	270	4,241
Unalakleet	952	6,125
Wales Alaska	182	3,185
White Mountain	136	4,681
North Slope Borough	5,088	14,995
Anaktuvuk Pass	233	5,900
Atqasuk	214	10,257
Barrow	2,943	17,609
Kaktovik	207	12,237
Nuiqsut	305	10,014
Point Hope	582	8,685
Wainwright	507	12,478
Prince of Wales-Outer Ketchikan Census Area	4,832	9,575
Craig	1,065	9,071
Hydaburg	453	6,847
Kasaan	45	9,575
Klawock	532	9,070
Thorne Bay	392	14,314

Table 3 (Continued)
1984 Population and 1983 Per Capita Income Estimates for Census Areas and Incorporated Places

Area	Population	Estimated Per Capita Money Income (dollars)
Sitka Borough	7,442	13,323
Sitka	7,442	13,323
Skagway-Yakutat-Angoon Census Area	3,956	8,365
Angoon	648	4,789
Hoonah	938	6,341
Pelican	223	10,302
Skagway	816	11,506
Tenakee Springs	156	6,213
Yakutat	453	8,744
Southeast Fairbanks Census Area	6,291	8,259
Delta Junction	170	8,826
Valdez-Cordova Census Area	8,558	13,450
Cordova	2,211	14,740
Valdez	3,570	13,737
Whittier	268	11,979
Wade Hampton Census Area	5,518	4,159
Alakanuk	563	3,010
Chevak	532	3,904
Emmonak	570	3,327
Fortuna Ledge	280	3,939
Hooper Bay	678	4,179
Kotlik	412	4,254
Mountain Village	693	5,452
Newtok City (pt.)	-	-
Pilot Station	428	2,409
Russian Mission	170	1,862
St. Mary's	656	6,202
Scammon Bay	296	4,273
Sheldon Point	135	2,008

Table 3 (Continued)
1984 Population and 1983 Per Capita Income Estimates for Census Areas and Incorporated Places

Area	Population	Estimated Per Capita Money Income (dollars)
Wrangell-Petersburg Census Area	6,357	12,057
Kake	680	7,998
Kupreanof	53	12,057
Petersburg	2,967	13,281
Port Alexander	89	12,057
Wrangell	2,315	11,511
Yukon-Koyukuk Census Area	8,953	9,478
Allakaket	179	4,132
Anderson	524	19,618
Anvik	123	3,849
Fort Yukon	645	8,457
Galena	894	13,049
Grayling	244	3,321
Holy Cross	270	3,226
Hughes	97	9,478
Huslia	283	3,635
Kaltag	260	3,427
Koyukuk	100	9,478
McGrath	499	12,273
Nenana	544	9,603
Nikolai	109	9,478
Nulato	392	4,003
Ruby	310	1,892
Shageluk	148	3,812
Tenana	416	6,902
Multi-County Places:		
Newtok (pt.)	187	2,514

Source: U.S. Bureau of the Census, Current Population Reports, Series P-26, No. 84-W-SC, West. 1984 Population and 1983 Per Capita Income Estimates for Counties and Incorporated Places, U.S. Government Printing office, Washington D.C. 1986.

Table 4
Alaska Geographic Differential Study, 1985

District 1/	Cost of Living Differential
Seattle	86
Palmer/Wasilla	94
Petersburg/Wrangell	98
Anchorage (base)	1.00
Seward	1.00
Sitka	1.01
Kenai/Cook Inlet	1.01
Ketchikan	1.02
Juneau	1.03
Fairbanks/Fort Yukon	1.03
Icy Strait/Lynn Canal	1.05
Kodiak	1.06
Cordova/Valdez	1.11
Aleutian Islands	1.26
Wade Hampton	1.26
Bristol Bay	1.29
Yukon/Kuskokwim	1.29
Nome	1.33
Bethel	1.39
Barrow/Kotzebue	1.45

1/ The study was conducted using the districts currently in place for geographic differentials, which are the 1961 election districts.

Source: Alaska Geographic Differential Study, State of Alaska, Department of Administration, Division of Labor Relations, April 1985.

Alaska

By Edward Eboch

Current Events

Alaska's September employment numbers suggest a continued deterioration of the Alaska economy. Unemployment rates remain at record levels and the year-to-year losses in employment increased. Cutbacks in the oil and gas industry and cuts in state government expenditures are now impacting the secondary and tertiary industries. Thus far, declines in employment in oil and gas have been largely restricted to oil and gas field service and related construction.

The state government has cut capital budget expenditures as well as employment related to the operating budget. As a result of these cuts, declines in employment are appearing in the service, finance,insurance and real estate, and trade sectors. The only basic industry that has improved over last year is manufacturing. Increases in the timber industry and in seafood processing have helped maintain the level of employment in the transportation industry.

As the economy declines, the service sector will continue to lose employment. This loss, however, is unlikely to be proportional to the loss in total employment.

Alaska's Service Industry

As Alaska's economy boomed in the 1980s service industry employment increased rapidly. To some extent the growth in the service industry followed a national trend. Nationwide, the shift to greater service employment has been the result of a number of factors. Rising productivity and a limited appetite for products from the agricultural and goods producing sectors have freed up income for spending in other sectors of the economy.

In addition, changes in lifestyle as more women enter the work force have increased the demand for many services. Demand has increased for laundry and cleaning services, beauty shops, and other personal services. Both spouses working increases the need for child day care centers, adult day care centers, and other social services (included in other services category). In fact most services directed at the family have increased as a result of more women being in the work force.

Two family incomes mean more money for discretionary purchases.

Nonagricultural Wage and Salary Employment
By Place of Work
Alaska

	p/ 9/86	r/ 8/86	9/85	Changes From: 8/86	9/85
Nonag. Wage & Salary	237400	242700	244900	-5300	-7500
Mining	8100	8400	9600	-300	-1500
Construction	18400	18700	23500	-300	-5100
Manufacturing	15800	21700	14000	-5900	1800
Food & Kindred Prod.	9300	14900	7900	-5600	1400
Lumber & Paper Prod.	3100	3300	2400	-200	700
All Other Mfg.	3400	3500	3700	-100	-300
Trans. Comm. & Utilities	20400	20400	20300	0	100
Trucking & Whseing.	2100	2200	2300	-100	-200
Water Transportation	1900	1900	1800	0	100
Air Transportation	6500	6800	6400	-300	100
Other Trans. Comm. & Utilities	9900	9500	9800	400	100
Trade	46100	46800	47700	-700	-1600
Wholesale	8200	8300	8800	-100	-600
Retail	37900	38500	38900	-600	-1000
Gen. Mer. & Apparel	5700	5700	5700	0	0
Food Stores	6400	6400	6400	0	0
Eating & Drinking Pl.	14000	14400	14000	-400	0
Other Retail Trade	11800	12000	12800	-200	-1000
Finance Ins. & R.E.	12900	13200	13200	-300	-300
Services & Misc.	46000	47900	46900	-1900	-900
Government	69700	65600	69700	4100	0
Federal	18200	18200	17700	0	500
State	20400	19100	21000	1300	-600
Local	31100	28300	31000	2800	100

Prepared in Cooperation with the U.S. Bureau of Labor Statistics.
Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1985.

p/ Denotes primary estimates.
r/ Denotes revised estimates.

As wealth has increased and relative prices have changed, demand for products from the service sector has increased. Additional wealth has spurred demand for entertainment and travel. Hotels and motels, advertising (business services), motion pictures, bowling alleys, commercial sports, and athletic clubs (amusement and recreational services) are just a few categories of services employment that have benefited from increased wealth.

Health services has been one of the greatest growth sectors in the services industry. Improved technology and more affordable prices, greater awareness of the benefits of a health maintenance program, and a population that is living longer have all contributed to the increased demand for health services. Business and government have increased health benefits to their employees so that more people have taken advantage of health services.

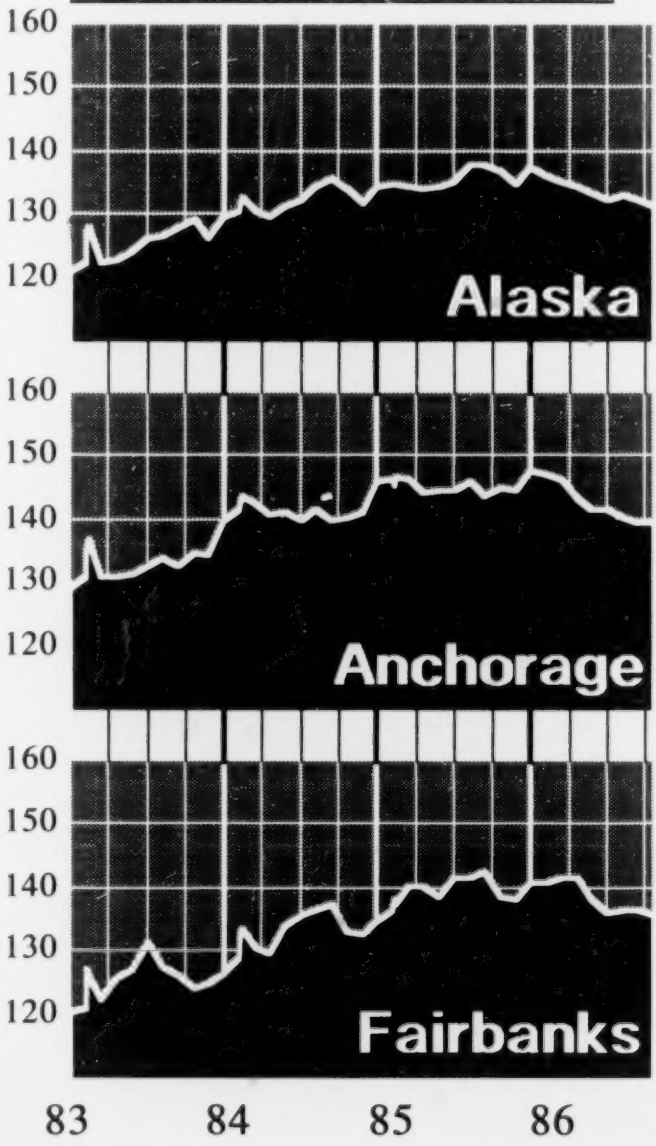
Finally, changes in the way we do business have contributed to employment in the service sector. Many functions that businesses did internally are being provided by consultants or part time help. Some businesses, such as equipment rental and leasing, accounting and auditing, and engineering and architectural services do not represent new employment but primarily represent a change in how this employment is classified. Others, such as computer and data processing services, consultants and some other business services represent new activities. These are just a few of the service sector businesses that have benefited from the change in the way we do business today.

All these factors have contributed to the rapid growth in service industry employment. In addition, in Alaska, much of the increase in employment in the services industry was a result of growth in the economy and a response to a lack in available services. Even though service employment increased as a percent of total employment over the past, in 1985 it still represented only 19.1% of total employment versus the national 22.1%.

Service firms that catered to construction were some of the biggest winners from 1980 and are now suffering losses in employment over the current year (see table). Engineering, architecture, and surveying, automotive and other repair services, and some business services benefited by the increase in construction activity. As construction activity declined, these categories lost employment.

A few categories benefited by the decline in employment. Employment agencies have increased their staffs as a record number of unemployed search for jobs. Educational services have also benefited as the unemployed try to improve their skills to enhance their job opportunities. As depressed economic conditions continue, however, all sectors of services will see a drop in employment but this drop will not be as severe as that of the basic industries.

COMPOSITE NONAG. EMPLOYMENT INDEXES



SEASONALLY ADJUSTED 1983 TO PRESENT
source: ak. dept. of labor

Anchorage/MatSu

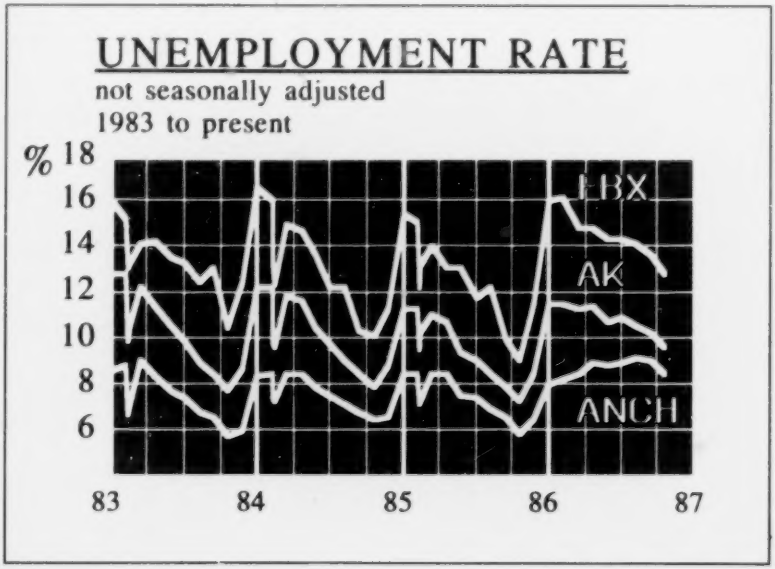
By Greg Huff

MatSu Employment

Newly compiled employment records for the Matanuska-Susitna Borough show employment has increased 2.3% in the first quarter 1986 over the first quarter 1985. These employment counts from employers quarterly unemployment insurance reports contain the best data available specific to the borough. With minor modifications these numbers are published at a later date in the Department of Labor's *Statistical Quarterly*.

Employment growth in early 1986 was a result of increases in local government employment combined with smaller gains in services, state government, finance, insurance, telephone communications, and wholesale trade. Increases in these industries offset heavy employment losses in the construction industry and minor losses in manufacturing and retail trade.

Employment gains in local government were almost entirely within the MatSu School District. In the first quarter of 1986 school district



employment rose by 233 jobs to a total of 1,323. The increase in school staff was in response to past overcrowded conditions and an increase in school enrollment of 9.4% (750 students) from the fall of 1985 to the fall of 1986.

Increases in services employment were dominated by the health industry. Employment in this industry grew by 66 jobs (to a total of 382 jobs) from the first quarter 1985 to the first quarter 1986. Although employment gains in the health industry overshadowed other components of the services sector, several other sectors also had employment increases.

Increases in employment occurred in personal services (including laundry facilities, beauty and barber shops, shoe repair shops and other similar services), business services (including advertising, credit reporting, personnel supply services, and computer and data processing) and membership organizations (including business associations, labor organizations, religious organizations and similar membership services).

Employment did not increase in all categories of services. Firms providing engineering and architectural services and those providing accounting, auditing, and bookkeeping services lost employment. Most of these losses were related to problems in the construction industry.

While gains in employment have occurred in many industries, job losses in construction have been wide-spread. Construction companies ranging from general contractors to specialty contractors have laid off, on the average, 43% of their work force in the first quarter of 1986 compared to the first quarter of 1985. This decline has affected other industries.

First hit were those industries providing direct inputs such as materials or services. Next were the industries providing secondary inputs, such as food and clothing, to workers in construction and related industries. Because of these ripple effects, the manufacturing and retail trade sectors through March of 1986 had a net decline in employment of 46 jobs. Not a large drop, but an indication of things to come.

Beyond the First Quarter

Employment estimates after the second quarter 1986 indicate a decline in total Matsu employment from the previous year. In addition to employment losses in construction and related activities, local government employment declined. The drop in local government employment was caused by cuts in state government financial assistance to local communities. State government employment in the MatSu Borough also went against the statewide trend and was slightly above year ago levels. (In comparison state government employment in Anchorage for September had declined by 250 jobs compared to the prior year.)

Our sample of MatSu School District employment for the latest period shows a decline of 9.7% this fall from 1985 levels, although student enrollment increased in the district by 2% over the fall of 1985. The non-educational portion of local government employment,however, continued to show increases over the year through September.

MatSu Employment 1980-1985

From 1980 to 1985 MatSu employment increased 114%, or 16.5% annually. MatSu had the fastest growth in employment in the state during this period. MatSu's growth rate was over three times the statewide average. MatSu's rapid employment growth occurred during a period of unprecedented population growth, particularly in the Wasilla and Palmer areas. During that period the MatSu Borough population grew at nearly 14% per year versus the statewide average of 4.2%.

Most of MatSu's employment gains were in industries providing goods and services to the areas residents, many of whom work in Anchorage. The employment boom started with residential construction. This was followed by rapid expansion in retail trade, services and local government employment which required the construction of retail and office space.

Construction employment grew 450% from 1980 to 1984 but fell in 1985 by 27%. The retail trade industry increased employment by over 1,000 jobs, more than doubling in size during this period, and the services sector accounted for an additional 670 new jobs, an increase averaging nearly 20% per year.

Service oriented industries, such as those providing electric and telephone services or financial services, benefited from the rapid population growth in the MatSu region. Employment in the transportation, communication and utility industry increased 16% annually from 1980

to 1985, while employment in the finance, insurance and real estate sector rose 19% annually.

Local government, the largest government component, grew faster than either state or federal government employment. This was in response to the rapid rise in school enrollment. From the fall of 1980 to the fall of 1985 student enrollment in the district increased from 4,413 students to 8,782 students, an increase of 99%, while school district employment increased by 70% to 1,230.

Beginning in 1980 the state government provided added stimulus to the economic expansion in a variety of forms including capital project grants, mortgage subsidies, dividend checks and tax relief. Over the period millions of dollars were appropriated by the state legislature for capital projects ranging from fire houses to road projects. Meanwhile, the Alaska Housing Finance Corporation (AHFC) provided subsidized mortgages. In addition, the state funded nearly two-thirds of the MatSu Borough's operating budget, helping to hold down taxes, relieve debt obligations and enhance funding for education.

1970 to 1980

Employment growth in the MatSu area during this period was less spectacular, though still impressive, than the growth seen during the first half of the 1980s. The compounded annual growth rate was 10.4% during the decade of the 1970s, compared to 16.5% from 1980 to 1985. The growth industries in the 1970s were the same as those in the early 1980s.

The slower employment growth rate in the 1970s was a result of smaller population gains than experienced in the early 1980s. From 1970 to 1980 MatSu population increased from 6,509 to 17,816 people, an average increase of 10.6% per year versus the 13.8% average annual growth during the first five years of the 1980s.

Current Trends

Employment was down slightly in September. At this time of year the salmon season winds down and fish processing employment declines. Air transportation is impacted by the closing salmon season as well. This also marks the end to the tourist season. As a result the air transportation industry began to lay off seasonal workers.

MatSu Nonagricultural Wage and Salary Employment
First Quarter 1985 and First Quarter 1986
By Month

	Jan 1985	Feb 1985	Mar 1985	Jan 1986	Feb 1986	Mar 1986
Mining	*	*	*	*	*	*
Construction	622	645	647	384	359	354
Manufacturing	84	101	101	68	70	86
Trans. Comm. & Util.	608	621	632	659	675	673
Trade	1,597	1,508	1,544	1,543	1,528	1,543
Wholesale	102	99	106	131	122	127
Retail	1,495	1,409	1,438	1,412	1,406	1,416
Finance-Ins. & R.E.	290	283	280	315	318	310
Services	1,008	986	1,008	1,092	1,039	1,035
Miscellaneous	*	*	*	*	*	*
Government	2,061	2,121	2,098	2,336	2,419	2,388
Federal	97	101	99	104	105	103
State	683	703	711	713	736	736
Local	1,281	1,317	1,288	1,519	1,578	1,549
Total Nonag. Employment	6,351	6,350	6,396	6,509	6,524	6,510

*Nondisclosable

Source: Alaska Department of Labor, Research & Analysis Section, ES-202

MatSu Nonagricultural Wage and Salary Employment
Annual Averages
1970, 1975, 1980, 1985

	1970 Annual Average	1975 Annual Average	1980 Annual Average	1985 Annual Average
Nonag. Wage & Salary	1,219	2,022	3,265	6,991
Mining	*	*	*	12
Construction	135	188	178	710
Manufacturing	*	30	37	111
Trans. Comm. & Util.	112	218	319	670
Trade	184	315	733	1,736
Wholesale	n/a	44	44	125
Retail	n/a	271	689	1,611
Finance-Ins. & R.E.	25	62	120	290
Services	190	288	460	1,129
Miscellaneous	*	*	*	106
Government	511	883	1,341	2,229
Federal	110	124	112	100
State	n/a	n/a	403	737
Local	n/a	n/a	826	1,392
State & Local	401	758	1,229	2,129
Total Wages	$12,399,939	$29,084,848	$62,123,118	$165,294,440
Average Monthly Wage	$841	$1,188	$1,586	$1,969
Number of Firms	203	270	398	919

*Nondisclosable

n/a Not Available

Source: Alaska Department of Labor, Research & Analysis Section, Statistical Quarterly

Nonagricultural Wage and Salary Employment
By Place of Work
Anchorage

	p/ 9/86	r/ 8/86	9/85	Changes From: 8/86	9/85
Nonag Wage & Salary	114150	114850	119800	-700	-5650
Mining	3500	3650	4200	-150	-700
Construction	8250	8450	11050	-200	-2800
Manufacturing	2700	3700	2750	-1000	-50
Food & Kindred Prod	600	1550	550	-950	50
Other Mfg	2100	2150	2200	-50	-100
Trans Comm & Utilities	10400	10750	10550	-350	-150
Trucking & Whseing	1250	1350	1300	-100	-50
Water Transportation	400	400	400	0	0
Air Transportation	4100	4350	4000	-250	100
Other Trans Comm & Utilities	4650	4650	4850	0	-200
Trade	27500	27650	28700	-150	-1200
Wholesale	6250	6350	6650	-100	-400
Retail	21250	21300	22050	-50	-800
Gen Merchandise	2000	2000	2150	0	-150
Food Stores	3050	3050	3050	0	0
Eating & Drinking Pl	8450	8450	8650	0	-200
Other Retail Trade	7750	7800	8200	-50	-450
Finance-Ins & R E	8600	8600	8800	0	-200
Services & Misc	26350	26800	26750	-450	-400
Government	26850	25250	27000	1600	-150
Federal	10050	10100	9750	-50	300
State	7250	6600	7500	650	-250
Local	9550	8550	9750	1000	-200

Nonagricultural Wage and Salary Employment
By Place of Work
Anchorage-MatSu

	p/ 9/86	r/ 8/86	9/85	Changes From: 8/86	9/85
Nonag Wage & Salary	122350	122750	128700	-400	-6350
Mining	3550	3650	4200	-100	-650
Construction	9000	9200	12100	-200	-3100
Manufacturing	2800	3750	2900	-950	-100
Trans Comm & Utilities	11150	11450	11300	-300	-150
Trade	29400	29650	30650	-250	-1250
Finance-Ins & R E	9100	9100	9350	0	-250
Services & Misc	28100	28400	28700	-300	-600
Government	29250	27550	29500	1700	-250

Alaska Service Industry
Employment 1980-1985

	1980	1985	% Change	3rd Quarter 1985	3rd Quarter 1986	% Change
Hotels, Motels	3275	4699	43.5	5446	5746	5.5
Management Consulting and Public Relations	682	1339	96.3	1357	1327	-2.2
Cleaning and Maintenance	1184	1318	11.3	1336	1264	-5.4
Employment Agencies	1087	1549	42.0	1599	1813	13.4
Other Business Service	2121	4098	93.2	4235	4143	-2.2
Hospitals	2764	3847	39.2	3822	4087	6.9
Other Health	3030	4877	61.0	4889	4844	-0.9
Personnel Services	1157	1940	67.7	1910	1935	1.3
Repair Service	989	1711	73.0	1774	1701	-4.1
Automotive Service & Garages	352	674	91.5	733	650	-11.3
Amusement & Recreation Services	759	1374	81.0	1501	1388	-7.5
Education	579	670	15.7	573	713	24.4
Eng. Arch & Surveying	1553	3085	98.6	3262	2597	-20.4
Other Services	8999	10773	19.7	11110	11204	0.8
Miscellaneous	1674	3432	105.5	3859	3839	-0.5
Total Services	30222	45387	50.2	47406	47255	-0.3
Construction Employment	10610	18546	74.8	23427	18345	-21.7
Total Employment	170927	231257	35.3	247724	241141	-2.7

Labor Force By Region and Census Area

	Labor Force			Unemployment			Rate			Employment		
	P/ 9/86	R/ 8/86	9/85	P/ 9/86	R/ 8/86	9/85	P/ 9/86	R/ 8/86	9/85	P/ 9/86	R/ 8/86	9/85
Alaska Statewide	304456	273606	267839	28615	27851	18809	9.7	10.2	7.3	233841	245755	249030
Anch/Mat/Su Region	138336	141645	137584	12433	13752	8927	9.1	9.7	6.4	125903	127893	128657
Anchorage Borough	121506	124499	120994	10171	11364	7115	8.4	9.1	5.9	111335	113135	113879
Mat/Su Borough	16810	17146	16590	2262	2408	1712	13.5	14.0	10.3	14568	14758	14778
Gulf Coast Region	29615	33394	27505	3636	3955	2318	12.2	11.8	8.4	26279	29439	25187
Kenai Peninsula Bor	19014	21382	17366	2760	2931	1786	14.5	13.7	10.3	16254	18456	15579
Kodiak Island Bor	6913	7522	6492	575	801	417	8.3	10.7	6.0	6338	7197	6075
Valdez-Cordova	3988	4484	3748	301	298	215	7.5	6.6	5.1	3687	4186	3533
Interior Region	41057	43002	39804	4951	5435	3480	12.1	12.6	8.7	36106	37567	36324
Fairbanks North Star Br	33497	34270	32308	4319	4726	2964	12.9	13.8	9.1	29178	29550	29404
Southeast Fairbanks	3199	3277	3139	252	242	174	7.9	7.4	5.5	2947	3035	2965
Yukon Koyukuk	4361	4455	4357	380	423	352	8.7	9.5	8.1	3981	4032	3955
Northern Region	8228	8240	8568	1034	1157	677	12.6	14.0	10.5	7194	7083	7691
Kotzebue	2652	2676	2827	402	460	220	15.2	17.2	8.4	2250	2216	2407
Nome	3424	3472	3511	422	515	301	12.3	14.8	8.6	3002	2957	3210
North Slope Borough	2149	2092	2430	210	182	156	9.8	8.7	14.7	1969	1910	2074
Southeast Region	34191	35765	32894	2704	2988	2447	7.9	8.4	7.4	31487	32777	30447
Haines Borough	1076	1101	1010	94	76	60	8.7	6.9	5.9	982	1025	950
Juneau Borough	13678	14320	12938	1224	1316	896	8.9	9.2	6.9	12454	13004	12042
Ketchikan Gateway Bor	7246	7488	6956	542	466	473	7.5	6.5	6.8	6704	7022	6483
Prince of Wales-Outer Ketch	2550	2652	2471	263	264	259	10.3	10.0	10.5	2287	2388	2212
Sitka Borough	4132	4402	4237	254	332	468	6.1	7.5	11.0	3878	4070	3769
Skagway-Yakutat-Angoon	1976	2110	1873	144	197	102	7.3	9.3	5.4	1832	1913	1771
Wrangell-Petersburg	3533	3690	3409	223	313	189	6.3	8.5	5.5	3330	3377	3220
Southwest Region	11732	12464	11484	857	1068	660	7.3	8.6	7.5	10875	11396	10624
Aleutian Islands	2782	2909	2676	124	124	79	4.5	4.3	3.0	2658	2785	2597
Bethel	4606	4965	4562	388	545	471	8.4	11.0	10.3	4218	4420	4121
Bristol Bay Borough	435	461	434	13	18	21	3.0	3.9	4.8	422	443	413
Dillingham	2013	2108	1940	138	143	108	6.9	6.8	5.6	1875	1965	1832
Wade Hampton	1896	2021	1842	194	238	181	10.2	11.8	9.8	1702	1783	1661

P/ Preliminary R/ Revised 1985 Benchmark

Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor, because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature, meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

School employment increased significantly over the month. In September all major schools began the school year. The largest single component of education employment is the public school sector including the University of Alaska at Anchorage, Anchorage Community College and the Anchorage School District. Combined public education employment increased by over 1,770 jobs from August to September, but was down by four-tenths of a percent compared to September of 1985.

It is unusual that only government showed gains in employment from August to September. During normal years increases appear in a broad range of industries. The slow economy is thus beginning to reach a wider spectrum of industries.

Fairbanks/Interior

By Neal Fried

Fairbanks' Unemployment Picture

The decline in Fairbanks employment in 1986 has been accompanied by a dramatic increase in unemployment. Since June Fairbanks' unemployment rates have been almost two points above unemployment rates of 1985. Fairbanks' unemployment rates for the last four months were surpassed only once in the past—in 1978, a post pipeline slump year—when almost 2,000 wage and salary jobs were lost. The number of unemployed never fell below 4,500 this year. This is the largest number of unemployed recorded in Fairbanks' history, with no relief in sight for the remainder of 1986.

A History of High Unemployment

Fairbanks, unemployment rates have traditionally been high. Only once during the past 12 years has Fairbanks' unemployment rate fallen below the national average and only twice has it fallen below the state's unemployment rate. During the construction of the pipeline, Fairbanks' unemployment rate fell to an all time low of 4.8% in 1975 and remained relatively low in 1976 at 7.6%. These were the only two years that Fairbanks was able to avoid double digit unemployment rates.

Fairbanks' high unemployment rates during the late 1970s can be explained by a sluggish post pipeline economy, however, the high rates experienced during the 1980s are not as easily explained. Though wage and salary employment grew by 2,000 in 1981, the unemployment rate fell by less than one point. In 1982 employment again increased by 2,000, but the unemployment rate increased by almost two points. One explanation for this higher unemployment rate during a period of robust employment growth was the influx of people which resulted from the national recession in 1982.

Thousands of people moved to Alaska that year seeking employment opportunities, and the large number that moved to Fairbanks overwhelmed the ability of Fairbanks' labor markets ability to absorb them—in spite of a booming economy. Because more people were looking for work than there were jobs the unemployment rate went up. The massive influx of job seekers continued through 1983 but began to ease in 1984 as the rest of the country's economy began to rebound. Fairbanks' unemployment rates did improve slightly in 1984 and 1985 but not markedly because local economic growth was beginning to slow.

Fairbanks North Star Borough
Unemployment Rates
1985-1986

	1985	1986
January	15.5%	16.0%
February	15.1%	16.2%
March	14.0%	14.9%
April	13.1%	14.9%
May	13.1%	14.4%
June	11.8%	14.4%
July	12.2%	14.1%
August	10.0%	13.7%

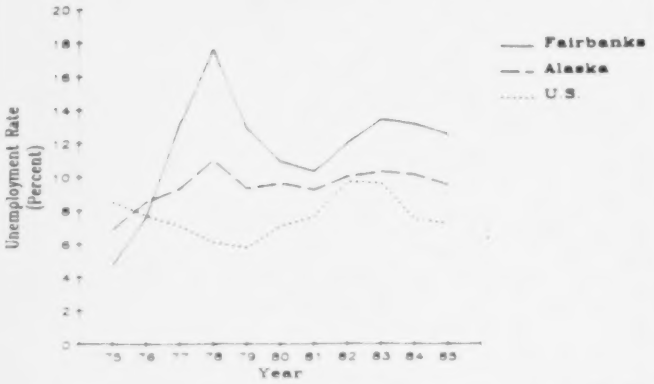
Unemployment Rates Do Not Reveal Everything

Though the 1986 unemployment rates indicate a deteriorating employment picture, they do not reveal the subtle changes that occur when employment is declining. Competition for jobs in Fairbanks through most of the 1980s was vigorous, but job opportunities did exist. Fairbanks' economy was growing rapidly, creating a fluid labor market. People who were employed switched jobs because they were promoted or found better opportunities. This provided additional openings for job seekers. Though unemployment may have remained high throughout the first half of the 1980s, job seekers could be relatively sure they would eventually find employment. Seasonal workers, such as construction workers, could also be reasonably assured when laid off for the winter season that they could find employment during the next construction season.

In 1986 this is no longer the case. Not only are fewer new jobs being created, but those people already employed tend to change jobs less. The seasonal worker can no longer be assured of finding employment the next year and the new job seeker will find it much more difficult to find employment at all. In addition, many workers already employed are not sure they will remain employed.

The unemployment picture is not likely to improve in the near future and unemployment rates may remain high for a longer period of time than during past downturns. One reason a higher unemployment rate may persist for a longer period of time is the possibility that people

Figure 1
Annual Average Unemployment Rates
Fairbanks, Alaska, and U.S.



will be more hesitant to leave Fairbanks than they were in the past.

The pipeline boom was seen as temporary and was dominated by a mobile group of people, young single males. By contrast, the boom of the 1980s appears to be more permanent than the pipeline boom and because it affected all industries in the economy, the population that came to Alaska during this boom was not dominated by the single male but was more balanced. This less mobile population will have more difficulty leaving. In addition, far more two wage-earner families exist today than existed a decade ago, and they may be more reluctant to leave during a downturn. While a more stable population could inflate the unemployment rates in the long run, it could also provide more stability to the economy than was experienced during past economic downturns.

Additional factors should be considered when assessing the effects of a declining economy on a labor market. During a longer economic contraction the number of people who give up looking for employment tends to grow. Known as discouraged workers, these individuals would not be counted in the unemployment figures. To be counted as unemployed a person must make some effort to find employment. Presently there is no way to account for the size of the discouraged worker group. Another unmeasured casualty in a declining labor market is the workers whose hours have been shortened or who can find only part-time work but would prefer full-time employment.

Nonagricultural Wage and Salary Employment
By Place of Work
Fairbanks

	p/ 9/86	r/ 8/86	9/85	Changes From: 8/86	9/85
Nonag. Wage & Salary	30350	30650	31700	-300	-1350
Mining	200	250	250	-50	-50
Construction	3250	3350	4400	-100	-1150
Manufacturing	650	650	650	0	0
Trans. Comm. & Utilities	2950	3000	3150	-50	-200
Trucking & Whsing.	400	450	500	-50	-100
Air Transportation	1000	1000	950	0	50
Other Trans. Comm. & Utilities	1550	1550	1700	0	-150
Trade	6400	6600	6500	-200	-100
Wholesale	900	900	1050	0	-150
Retail	5500	5700	5450	-200	50
Gen. Mer. & Apparel	500	600	500	-100	0
Food Stores	850	850	800	0	50
Other Retail Trade	4150	4250	4150	-100	0
Finance-Ins. & R.E.	1050	1100	1100	-50	-50
Services & Misc.	6200	6500	6000	-300	200
Government	9650	9200	9650	450	0
Federal	2900	3000	2800	-100	100
State	4050	3600	4150	450	-100
Local	2700	2600	2700	100	0

Nonagricultural Wage and Salary Employment
By Place of Work
Interior

	p/ 9/86	r/ 8/86	9/85	Changes From: 8/86	9/85
Nonag. Wage & Salary	34850	34800	36050	50	-1200
Mining	400	400	350	0	50
Construction	3450	3550	4650	-100	-1200
Manufacturing	700	700	700	0	0
Trans. Comm. & Utilities	3350	3350	3550	0	-200
Trade	6900	7100	7000	-200	-100
Finance-Ins. & R.E.	1150	1150	1150	0	0
Services & Misc.	6700	7100	6400	-400	300
Government	12200	11450	12250	750	-50

Eventually the unemployment rates will begin to fall regardless of whether or not the economy improves as people eventually leave or drop out of the labor force. For example, 1979s unemployment rate fell to 12.9% from 17.6% in 1978 in spite of the fact that employment fell by 1,000 that year.

The unemployment figures could begin to improve as early as late 1987 because of out-migration of unemployed workers and discouraged workers dropping out of the labor market. However, not until employment growth resumes will the employment picture really improve.

Gulf Coast

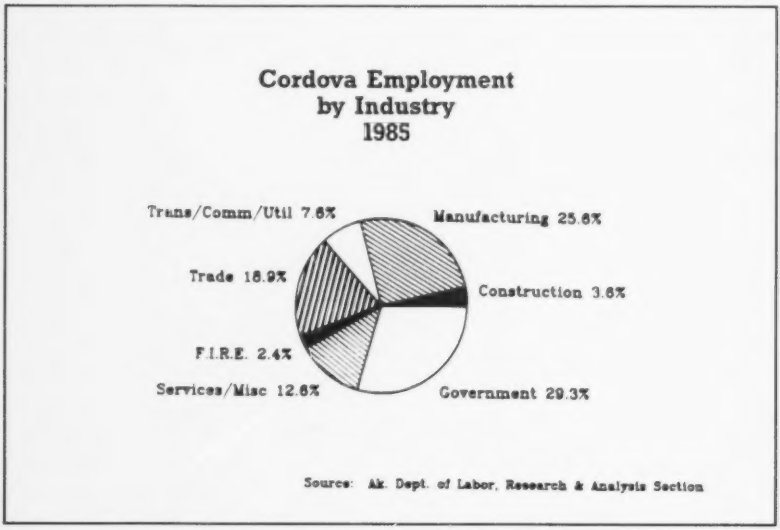
By Neal Fried

Valdez Marches to a Different Drummer

Looking at employment figures, Valdez appears to have missed the oil revenue boom which impacted much of the state during the past five years. Despite the terminus for the oil pipeline being an integral part of the Valdez economy, employment in Valdez did not grow with the same fervor enjoyed by much of the rest of the state. Statewide employment grew 33% from 1980-1985 compared to 5% in Valdez. This is somewhat of a surprise as the two major employers in Valdez are Alyeska Pipeline Service Company and state government.

The transportation industry, which includes Alyeska Pipeline Services Company, is Valdez's largest private sector industry. In 1985, 22.5% of the city's wage and salary employment was concentrated in this industry compared to 8% statewide. Transportation employment grew during the early 1980s and peaked at 504 in 1982. By 1985 transportation employment had fallen to 416 as oil terminal operations and other employers pared down their work forces.

State government, the second largest employer in Valdez, employs



City of Valdez
Employment by Industry
1980-1985

	1980	1985	Percent Change 1980-1985
Total Employment	1746	1850	6.0%
Construction	226	112	-50.4%
Manufacturing*	9	171	1800.0%
Trans. Comm & Utilities	449	416	-7.3%
Trade	105	155	47.6%
Finance-Ins. & R.E.	36	20	-44.4%
Services & Misc.	242	251	3.7%
Government	680	725	6.6%
Federal	18	15	-16.7%
State	404	399	-1.2%
Local	259	311	20.1%

* Manufacturing and fish processing can be used interchangeably in this table.

Source: Alaska Department of Labor, Research & Analysis Section, ES-202.

21.6% of the wage and salary work force—more than double the statewide share. Harborview, an institution for persons with developmental disabilities, is the single largest state employer in Valdez. State government employment has remained close to 400 the past five years. Some agencies lost employment and others gained, but there was little net change. This is surprising since state government employment grew by 33% statewide during this period.

Growth Industries

One dynamic industry in Valdez has been fish processing. Fish processing employment grew from less than 10 in 1980 to 171 in 1985. Two sizeable fish processing plants are operating in Valdez, and a number of smaller ones operate during the summer season. Without this injection of new fish processing jobs, total employment would have made no gains during this period.

Although available employment statistics do not have an industry category for tourism, it appears this industry added to employment growth in trade during the last five years. In Valdez trade employment climbed by 50 jobs.

Construction — A Different Story

Statewide the construction industry helped push statewide employment to record heights during the first half of the 1980s. Construction employment statewide grew 75%, but in Valdez construction employment declined during this period. This comparison may not be fair. Valdez's major post-pipeline construction period came in the late 1970s and early 1980s. Because of its newly acquired tax base, Valdez was able to fund a number of large capital projects while much of the remainder of the state was still in a post-pipeline slump. Valdez relied on its own resources instead of the state to finance many of these projects. They include a new civic/convention center, a $48 million port facility, a grain silo and a number of other projects. Though the timing was different, Valdez, like many of Alaska's communities, now has major new facilities which did not exist a decade ago.

Valdez Now Fits Statewide Trends

More recent trends indicate that Valdez's economy is following the economy of the rest of the state. First quarter 1986 employment statistics show declines in employment in Valdez. Valdez is now being adversely affected by falling oil revenues. Both state and local government are beginning to feel the pinch of the state's budget shortfalls. The oil industry is pruning its work force, and revenues for any type of construction are becoming scarce. This all adds up to a declining economy.

Valdez has one potential project lined up which could reverse this trend in the short run. Alaska Pacific Refining is proposing to build a refinery in Valdez capable of producing 100,000 plus barrels of refined product per day. If all the problems are solved, this company plans to begin construction in 1987 and operation in 1988. If this project gets underway in 1987, Valdez may escape the fate of a declining economy. Instead Valdez may experience a temporary construction boom and a permanently larger work force when the operations staff for the refinery is hired. In the event that the refinery project does not work out or is delayed, Valdez will likely join the rest of the state for at least a couple of years of stormy economic weather.

Nonagricultural Wage and Salary Employment
By Place of Work
Gulf Coast

	p/ 9/86	r/ 8/86	9/85	Changes From: 8/86	9/85
Nonag. Wage & Salary	22850	25600	22650	-2750	200
Mining	850	900	850	-50	0
Construction	2050	2050	2600	0	-550
Manufacturing	4400	7300	3450	-2900	950
Food & Kindred Prod.	3700	6600	2750	-2900	950
All Other Mfg.	700	700	700	0	0
Trans. Comm. & Utilities	1800	1700	1900	100	-100
Trade	3950	4150	4100	-200	-150
Wholesale	600	600	600	0	0
Retail	3350	3550	3500	-200	-150
Finance-Ins. & R.E.	650	650	650	0	0
Services & Misc.	3500	3700	3450	-200	50
Government	5650	5150	5650	500	0
Federal	550	550	550	0	0
State	1650	1550	1750	100	-100
Local	3450	3050	3350	400	100

Current Trends

The Gulf Coast region's employment began its winter decline in September. There were 2,750 fewer wage and salary jobs in September than in August. Most of this loss came in fish processing as the salmon season continued to wind down. Trade and services employment declined as the tourism season began to come to a close. Government was the only industry to make significant gains in September as secondary and community colleges staffs returned to work.

Southeast Alaska

By John Boucher

The Transportation Industry in Southeast Alaska 1980-85

The transportation industry changed dramatically in Southeast Alaska during the last five years. Employment in the transportation industry decreased 15 percent and some types of transportation employment disappeared almost entirely. Despite the contraction, the transportation industry remains a vital part of Southeast Alaska's economy.

The geography of Southeast Alaska makes land based modes of transporting people, goods, and services to Southeast Alaska communities impossible. Except Haines, Skagway, and Hyder, which are connected to mainland road systems, communities in Southeast Alaska are transportation islands. As such, many Southeast Alaska communities are accessible only by air and marine transportation.

Market size and amount of goods shipped make a private transportation industry economically viable only in Southeast Alaska's larger communities. In general, year round transportation of people, goods, and services to many Southeast Alaska communities is a losing proposition; therefore, the State of Alaska's Department of Transportation and Public Facilities must serve the transportation needs of many Southeast Alaska communities. As a result the Alaska Marine Highway System (AMHS), with over 800 employees, is the largest transportation related employer in Southeast Alaska.

Table 1
Transportation Employment 1980-85

	1980	1981	1982	1983	1984	1985	Percent Change 80-85
Water Trans.	608	542	447	486	452	470	-22.7%
Air Trans.	698	760	634	492	469	468	-33.0%
Railroad	173	172	123	15	11	10	-94.2%
Other Trans.	367	383	360	360	380	433	18.0%
Alaska Marine Highway System	803	803	803	870	870	870	8.3%
TOTAL	2649	2660	2367	2223	2182	2251	-15.0%

Despite being the transportation industry's largest employer, the Alaska Marine Highway System (AMHS) is not a good indicator of transportation employment trends in Southeast Alaska. Since it is publicly owned, the AMHS is subject to budget constraints of the State of Alaska rather than independent economic events. If the AMHS was subject to regular economic conditions, employment would most likely have decreased from 1980 to 1985. Unlike the Alaska Marine Highway System, private industry transportation employment decreased in every category except "other transportation" from 1980 to 1985. Each category of the transportation industry has struggled or succeeded for different reasons. There were a number of economic factors which affected the water, air, rail, and "other transportation" categories of the transportation industry.

Employment in the water transportation sector has declined since 1980 because of its ties to the lumber industry. Privately owned water transportation employment in Southeast Alaska is dependant upon the amount of commercial goods shipped. The lumber and paper products industry is Southeast Alaska's biggest exporter of goods. When this industry fell upon hard times in the late seventies, employees in the water transportation industry were among the first to be affected.

Air transportation employment includes certified air carriers, such as Alaska Airlines, and small noncertified carriers operating small taxi and passenger services. Both segments of the air transportation sector have declined since 1980; the decline is attributed to deregulation of the air carrier industry. Wien Airlines entered the Southeast Alaska market in late 1980 but discontinued operations by 1983. This helps explain the temporary jump and then decline in air transportation employment. Meanwhile, many small air carriers have consolidated their operations because of increased competition, higher insurance costs, and lower amounts of traffic.

Southeast Alaska railroad transportation employment has all but disappeared since 1980. In 1980 the White Pass and Yukon Railroad was the largest employer in Skagway with over 180 employed. The railroads primary source of income was shipping ore to the port in Skagway from the Cyprus-Anvil mine near Whitehorse. After the mine closed, the railroad ceased to be profitable and the White-Pass and Yukon shut down in October 1982. When it closed, the railroad eliminated 160 jobs and an annual payroll of over 4.5 million dollars. The State of Alaska and the Yukon Territory recently agreed to keep the highway from Skagway to Whitehorse open on a year round basis. This agreement dashed any hope that the railroad would reopen.

The "other transportation" sector of the transportation industry is dominated by local passenger transportation. This category is where taxi

Nonagricultural Wage and Salary Employment
By Place of Work
Southeast Alaska

	p/ 9/86	r/ 8/86	Changes From: 9/85	8/86	9/85
Nonag. Wage & Salary	74,250	73,900	73,300	350	950
Construction	3,600	3,600	3,400	0	200
Manufacturing	4,900	5,000	5,000	-100	-100
Food & Kindred Prod.	2,200	2,300	2,300	-100	-100
Lumber & Paper Prod.	2,600	2,700	2,700	-100	-100
All Other Mfg.	100	100	100	0	0
Trans. Comm. & Utilities	7,250	7,300	7,200	-50	50
Trade	14,900	14,700	14,700	200	200
Wholesale	2,300	2,300	2,300	0	0
Retail	12,600	12,400	12,400	200	200
Finance-Ins. & R.E.	1,700	1,700	1,700	0	0
Misc. Services & Misc.	9,800	9,800	9,800	0	0
Government	31,900	31,800	31,500	100	400
Federal	7,200	7,200	7,200	0	0
State	9,300	9,200	9,000	100	300
Local	15,400	15,400	15,300	0	100

cabs, tour bus operators, and school bus services are counted. Growth in this sector of the industry is due in large part to the burgeoning tourist industry. The major bus tour operator, Westours, has grown steadily since 1980. Although tour bus operations provide predominantly seasonal employment they have been a catalyst for growth within this sector. New tour companies entering the market as well as small van tour operators have added to the growth in this sector. School bus drivers have also steadily increased since 1980 as the school population of the region has increased.

As indicated earlier, the Alaska Marine Highway System (AMHS) is the single largest employer in the transportation industry in Southeast Alaska. Since 1980, there has been little change in employment in the AMHS. In 1983 a reorganization took place which brought some supply and personnel workers, who were not previously under the Alaska Marine Highway System, into their Division.

Future of Transportation Employment in Southeast Alaska

Future employment patterns in Southeast Alaska's transportation industry will not deviate dramatically from the trends that emerged from 1980 to 1985. The most significant event on the horizon is how the Alaska

Marine Highway System (AMHS) will adjust—given the current fiscal outlook for the state. The AMHS avoided the budget ax in the last belt-tightening session, but that took intervention by the Office of the Governor. In the long term, AMHS would be fortunate to keep its current level of funding. Barring increases in revenue to match the shortfall in the State's contribution, AMHS will probably have to trim back operations.

The water transportation and air transportation industries figure to follow employment trends established during the past five years. Water transportation's future will be tied to the fortunes of the wood products industry while competitive pressures will keep air transportation employment close to its current levels.

The "other transportation" sector should continue to grow, but probably not as rapidly as during the past five years. Population growth pressures have subsided and the need for more local passenger transportation will not be as acute. Tour operators should continue to provide some impetus for growth in this industry.

Summary

Transportation industry employment in Southeast Alaska is divided into a public and private sector. While the public portion of the industry remained stable from 1980 to 1985, employment losses in the private air, water, and rail transportation sectors put the transportation industry among the largest employment losers in the region during this period. Competitive pressures and world economic events such as falling mineral prices were two of the causes of the employment drop. Because private portions of the industry should level off during the next few years, the future employment outlook of the industry depends on the degree to which the Alaska Marine Highway System must adjust to declining state oil revenues.

Current Trends

Southeast Alaska wage and salary employment decreased 2.2 percent to 31,250 jobs from August to September. The drop in employment was due to the losses of peak summer employment related to the fishing industry. August is traditionally when Southeast Alaska canneries are working the most people. When salmon season ends, employment drops off rapidly. Employment in seafood processing dropped by 600 jobs, which accounted for the lion's share of the 850 jobs lost during the month. Government was the only industry to gain jobs during September. This is because of the beginning of the 1986-87 school year, in both the local school districts and the University of Alaska.

Southeast Alaska unemployment rates continued to stay near year ago levels. This September unemployment in Southeast was 7.9 percent, up one half of one percentage point from 1985. The Prince of Wales-Outer Ketchikan census area had the highest unemployment in the region at 10.3 percent while Sitka and the Wrangell-Petersburg census areas were lowest at 5.7 percent.

Hours and Earnings

By John Boucher

Current Trends

For the second month in a row, manufacturing hours and earnings displayed the biggest change from the previous period. The salmon season typically have hours worked rising rapidly during the peak of the season and then tailing off as the end of the season approaches. Hourly earnings on the other hand tend to decrease as the season hits its peak and then rise as the season winds down. This is due to the low wages paid to peak time employees in the fish processing industry. While these workers tend to make much lower wages than the year round cannery employees, they work tremendous amounts of overtime to process the fish. The influx of these peak time employees is the single largest influence on manufacturing wages during the summer.

Year to year comparisons are still generally unfavorable in both hours worked and the average hourly earnings. In September, the average weekly hours and average hourly earnings tended to range between 90-96 percent of the level that they were one year ago.